



FEDERAL RESERVE SYSTEM

Proposed Agency Information Collection Activities; Comment Request

AGENCY: Board of Governors of the Federal Reserve System

SUMMARY: Background. On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board of Governors of the Federal Reserve System (Board) its approval authority under the Paperwork Reduction Act (PRA), pursuant to 5 C.F.R. § 1320.16, to approve of and assign OMB control numbers to collection of information requests and requirements conducted or sponsored by the Board under conditions set forth in 5 C.F.R. § 1320 Appendix A.1. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the Paperwork Reduction Act Submission, supporting statements, and approved collection of information instruments are placed into OMB's public docket files. The Federal Reserve may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

DATES: Comments must be submitted on or before [insert date 60 days after publication in the Federal Register].

ADDRESSES: You may submit comments, identified by FR G-FIN, FR G-FINW, FR MSD-4, FR MSD-5, FR 4004, or FR 4198, by any of the following methods:

- Agency Website: www.federalreserve.gov. Follow the instructions for submitting comments at www.federalreserve.gov/apps/foia/proposedregs.aspx.
- Federal eRulemaking Portal: www.regulations.gov. Follow the instructions for submitting comments.
- E-mail: regs.comments@federalreserve.gov. Include the OMB control number in the subject line of the message.
- FAX: 202-452-3819 or 202-452-3102.
- Mail: Robert deV. Frierson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW, Washington, DC 20551.

All public comments are available from the Board's website at www.federalreserve.gov/apps/foia/proposedregs.aspx as submitted, unless modified for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper form in Room MP-500 of the Board's Martin Building (20th and C Streets, NW) between 9:00 a.m. and 5:00 p.m. on weekdays.

Additionally, commenters may send a copy of their comments to the OMB Desk Officer — Shagufta Ahmed — Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW, Washington, DC 20503 or by fax to 202-395-6974.

FOR FURTHER INFORMATION CONTACT: A copy of the PRA OMB submission, including the proposed reporting form and instructions, supporting statement, and other documentation will be placed into OMB’s public docket files, once approved. These documents will also be made available on the Federal Reserve Board’s public website at:

www.federalreserve.gov/apps/reportforms/review.aspx or may be requested from the agency clearance officer, whose name appears below.

Federal Reserve Board Clearance Officer — Cynthia Ayouch — Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, DC 20551 (202) 452-3829. Telecommunications Device for the Deaf (TDD) users may contact (202) 263-4869, Board of Governors of the Federal Reserve System, Washington, DC 20551.

SUPPLEMENTARY INFORMATION:

Request for comment on information collection proposals

The following information collections, which are being handled under this delegated authority, have received initial Board approval and are hereby published

for comment. At the end of the comment period, the proposed information collections, along with an analysis of comments and recommendations received, will be submitted to the Board for final approval under OMB delegated authority.

Comments are invited on the following:

- a. Whether the proposed collection of information is necessary for the proper performance of the Federal Reserve's functions; including whether the information has practical utility;
- b. The accuracy of the Federal Reserve's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;
- c. Ways to enhance the quality, utility, and clarity of the information to be collected;
- d. Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology; and
- e. Estimates of capital or start up costs and costs of operation, maintenance, and purchase of services to provide information.

Proposal to approve under OMB delegated authority the extension for three years, with minor revision, the following report:

Report title: Uniform Application for Municipal Securities Principal or Municipal Securities Representative Associated with a Bank Municipal Securities Dealer; Uniform Termination Notice for Municipal Securities Principal or Municipal Securities Representative Associated with a Bank Municipal Securities Dealer.

Agency form number: FR MSD-4; FR MSD-5.

OMB control number: 7100-0100; 7100-0101.

Frequency: On occasion.

Reporters: State member banks, bank holding companies, and foreign dealer banks that are municipal securities dealers.

Estimated annual reporting hours: FR MSD-4, 20 hours; FR MSD-5, 13 hours.

Estimated average hours per response: FR MSD-4, 1 hour; FR MSD-5, 0.25 hours.

Number of respondents: FR MSD-4, 20; FR MSD-5, 50.

General description of report: These information collections are mandatory pursuant to the Federal Reserve Act (12 U.S.C. § 248(a)(1)) for state member banks and (12 U.S.C. § 3105(c)(2)) for foreign bank branches and agencies. Sections 15B(a)-(b) and 17 of the Securities Exchange Act (the Act) (15 U.S.C §§ 78o-4(a)-(b) and 78q) authorize the Securities Exchange Commission (SEC)

and Municipal Securities Rulemaking Board (MSRB) to promulgate rules requiring municipal security dealers to file reports about associated persons with the SEC and the appropriate regulatory agencies (ARAs). In addition, Section 15B(c) of the Act provides that ARAs may enforce compliance with the SEC's and MSRB's rules. 15 U.S.C. § 78o-4(c). Section 23(a) of the Act also authorizes the SEC, the Federal Reserve Board, and the other ARAs to make rules and regulations in order to implement the provisions of the Act. 15 U.S.C. § 78w(a). The Federal Reserve Board is the ARA for municipal securities dealers that are state member banks and their divisions or departments, and for state branches or agencies of foreign banks that engage in municipal security dealer activities. 15 U.S.C. § 78c(a)(34)(A)(ii). Accordingly, the Federal Reserve Board's collection of Form MSD-4 and MSD-5 for these institutions is authorized pursuant to 15 U.S.C. §§ 78o-4, 78q, and 78w. Under the Freedom of Information Act, the Federal Reserve Board regards the information provided by each respondent as confidential (5 U.S.C. §552(b)(6)).

Abstract: These mandatory information collections are submitted on occasion by state member banks (SMBs), bank holding companies (BHCs), and foreign dealer banks that are municipal securities dealers. The FR MSD 4 collects information (such as personal history and professional qualifications) on an employee whom the bank wishes to assume the duties of municipal securities principal or

representative. The FR MSD 5 collects the date of, and reason for, termination of such an employee.

Current Actions: On September 13, 2011, the MSRB (MSRB Notice 2011-54) announced the creation of a new designation of registered person – Municipal Securities Sales Limited Representative – which is a sub-category of Municipal Securities Representative. To conform to MSRB Notice 2011-54, the Federal Reserve proposes to make a minor revision to the FR MSD-4 to add the Municipal Securities Sales Limited Representative as a new type of qualification. The proposed reporting form, in all other respects, would preserve the structure of the current reporting form. Changes to the FR MSD-5 are not required at this time.

Proposals to approve under OMB delegated authority the extension for three years, without revision, of the following reports:

1. *Report title:* Written Security Program for State Member Banks.

Agency form number: FR 4004.

OMB control number: 7100-0112.

Frequency: On occasion.

Reporters: State member banks.

Estimated annual reporting hours: 22 hours.

Estimated average hours per response: 0.5 hours.

Number of respondents: 44.

General description of report: This recordkeeping requirement is mandatory pursuant to section 3 of the Bank Protection Act (12 U.S.C. § 1882(a)) and Regulation H (12 C.F.R. § 208.61). Because written security programs are maintained at state member banks, no issue of confidentiality under the Freedom of Information Act normally arises. However, copies of such documents included in examination work papers would, in such form, be confidential pursuant to exemption 8 of the Freedom of Information Act (5 U.S.C. § 552(b)(8)). In addition, the records may also be exempt from disclosure under exemption 4 of the Freedom of Information Act (5 U.S.C. § 552(b)(4)).

Abstract: Each state member bank must develop and implement a written security program and maintain it in the bank's records. There is no formal reporting form and the information is not submitted to the Federal Reserve.

2. *Report title:* Notice By Financial Institutions of Government Securities Broker or Government Securities Dealer Activities; Notice By Financial Institutions of Termination of Activities as a Government Securities Broker or Government Securities Dealer.

Agency form number: FR G-FIN; FR G-FINW.

OMB control number: 7100-0224.

Frequency: On occasion.

Reporters: State member banks, foreign banks, uninsured state branches or state agencies of foreign banks, commercial lending companies owned or controlled by foreign banks, and Edge corporations.

Estimated annual reporting hours: 5 hours.

Estimated average hours per response: FR G-FIN, 1 hour; FR G-FINW, 0.25 hour.

Number of respondents: FR G-FIN, 4; FR G-FINW, 2.

General description of report: These information collections are mandatory pursuant to the Securities and Exchange Act of 1934 (15 U.S.C. § 78o-5(a)(1)(B)) which requires a financial institution that is a broker or dealer of government securities dealer to notify the ARA that it is a government securities broker or a government securities dealer, or that it has ceased to act as such. In addition, 15 U.S.C. § 78o-5(b)(1) directs the Treasury to adopt rules requiring every government securities broker and government securities dealer to collect information and to provide reports to the applicable ARA, and 15 U.S.C. § 78o-5(c)(2)(B) authorizes ARAs to enforce compliance with the Treasury's rules. The Federal Reserve Board is an ARA. 15 U.S.C. § 78c(a)(34)(G)(ii). Respondents file two copies of the notices directly with the Federal Reserve Board. Under the statute, the Federal Reserve Board forwards one copy to the SEC, and the notices are then made public by the SEC. 15 U.S.C. § 78o-5(a)(1)(B)(iii).

While the statute only requires the SEC to produce the notices to the public, the notices are also available to the public upon request made to the Federal Reserve Board. Accordingly, the Federal Reserve Board does not consider these data to be confidential.

Abstract: The Government Securities Act of 1986 (the Act) requires financial institutions to notify their ARA of their intent to engage in government securities broker or dealer activity, to amend information submitted previously, and to record their termination of such activity. The Federal Reserve is the ARA for state member banks, foreign banks, uninsured state branches or state agencies of foreign banks, commercial lending companies owned or controlled by foreign banks, and Edge corporations. The Federal Reserve uses the information in its supervisory capacity to measure compliance with the Act.

3. *Report title:* Funding and Liquidity Risk Management Guidance.

Agency form number: FR 4198.

OMB control number: 7100-0326.

Frequency: Funding and liquidity risk management guidance, Annually; Liquidity risk reports, monthly.

Reporters: Bank holding companies, state member banks, branches and agencies of foreign banking organizations, Edge and agreement corporations, and savings and loan holding companies.

Estimated annual reporting hours: Funding and liquidity risk management guidance, Large institutions, 25,920 hours; mid-sized institutions, 28,080 hours; small institutions, 520,720 hours; Liquidity risk reports, 317,520 hours.

Estimated average hours per response: Funding and liquidity risk management guidance, large institutions, 720 hours; mid-sized institutions, 240 hours; small institutions, 80 hours; Liquidity risk reports, 4 hours.

Number of respondents: Funding and liquidity risk management guidance, Large institutions, 36; mid-sized institutions, 117; small institutions, 6,509 ; Liquidity risk reports, 6,615.

General description of report: The Guidance is mandatory based on the following relevant statutory provisions.

- Section 9(6) of the Federal Reserve Act (12 U.S.C. § 324) requires state member banks to make reports of condition to their supervising Reserve Bank in such form and containing such information as the Board may require.
- Section 5(c) of the Bank Holding Company Act (12 U.S.C. § 1844(c)) requires a BHC and any subsidiary to keep the Board informed as to its financial condition, [and] systems for monitoring and controlling financial and operating risks.
- Section 7(c)(2) of the International Banking Act of 1978 (12 U.S.C. § 3105(c)(2)) requires branches and agencies of foreign banking organizations

to file reports of condition with the Federal Reserve to the same extent and in the same manner as if the branch or agency were a state member bank.

- Section 25A of the Federal Reserve Act (12 U.S.C. § 625) requires Edge and agreement corporations to make reports to the Board at such time and in such form as it may require.
- Section 312 of the Dodd-Frank Act (12 U.S.C. § 5412) succeeded to the Board all powers of the OTS and its Director, including the Director’s authority to require SLHCs to “maintain such books and records as may be prescribed by the Director.” The original source for the authority of the OTS Director to examine S&Ls and SLHCs is contained in 12 U.S.C. § 1467a(b)(3) of the Home Owners' Loan Act.

Because the records required by the Guidance are maintained at the institution, issues of confidentiality would not normally arise. Should the documents be obtained during the course of an examination, such information may be withheld from the public under the authority of the Freedom of Information Act, 5 U.S.C. § 552 (b)(8). In addition, some or all of the information may be “commercial or financial information” protected from disclosure under 5 U.S.C. § 552(b)(4).

Abstract: The Guidance summarizes the principles of sound liquidity risk management that the Office of the Comptroller of the Currency, the Federal

Reserve, the Federal Deposit Insurance Corporation, and the National Credit Union Administration (the agencies), have issued in the past and, where appropriate, brings them into conformance with the “Principles for Sound Liquidity Risk Management and Supervision” issued by the Basel Committee on Banking Supervision (BCBS) in September 2008. While the BCBS liquidity principles primarily focuses on large internationally active financial institutions, the Guidance emphasizes supervisory expectations for all domestic financial institutions including banks, thrifts and credit unions.

Two sections of the Guidance that fall under the definition of an information collection. Section 14 states that institutions should consider liquidity costs, benefits, and risks in strategic planning and budgeting processes. Section 20 requires that liquidity risk reports provide aggregate information with sufficient supporting detail to enable management to assess the sensitivity of the institution to changes in market conditions, its own financial performance, and other important risk factors.

Board of Governors of the Federal Reserve System, February 5, 2013.

Robert deV. Frierson,
Secretary of the Board.
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